



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Statement of Sens. Chuck Grassley and Max Baucus
Regarding Customs Revenue Functions and Homeland Security
Tuesday, May 20, 2003

On May 15, 2003, Treasury Secretary Snow signed Treasury Department order number 100-15, which delegates authority related to certain revenue functions of the Bureau of Customs and Border Protection from the Department of Treasury to the Department of Homeland Security.

The Treasury order identifies a number of essentially commercial Customs functions over which the Secretary of the Treasury will continue to exercise sole authority to approve regulations, including import quotas, classification and valuation of imports under the U.S. Harmonized Tariff Schedules, eligibility for trade preference programs, marking and labeling regulations, and copyright and trademark enforcement. Authority to approve other regulations will now fall under the authority of the Secretary of Homeland Security.

The Customs Bureau serves two vital functions. One function is to protect our borders by making sure the goods that enter our country and the vehicles that carry them do not present a threat to the security of our nation. Customs also plays an equally critical role in supporting our country's economic security. By facilitating the movement of critical goods to American industry and its customers at home and abroad, Customs assures our continued economic growth and vitality. We are pleased that the Administration has worked with us to craft a division of responsibilities between Homeland Security and Treasury that recognizes the importance of both these functions.

The new Treasury order is intended to strike a balance between trade facilitation and security, but there remain concerns that the scope of authority remaining at Treasury may be too narrow. Over time and with experience, we may conclude that the balance requires further adjustment. The Treasury order calls for a review in twelve months. Two months prior to expiration, the Administration is required to consult closely with Congress on the upcoming review, and discuss where further adjustments to the division of authorities are warranted.

We look forward to our continued work with the Administration as the new division of authorities takes effect. The Finance Committee remains committed to the goal of assuring that Customs and our nation can advance the twin goals of enhancing homeland security and promoting economic growth.